

CITY OF SAN JOSE

2004-2005 PROPOSED OPERATING BUDGET

GLOSSARY OF TERMS

Appropriation

The legal authorization granted by the City Council to the Administration to make expenditures and incur obligations for purposes specified in the Appropriation Ordinance.

Base Budget

Ongoing expense level necessary to maintain service levels previously authorized by the City Council.

Business Plan

A strategic planning tool, including a short-term action plan, used to guide the evaluation and prioritization of service delivery needs, the allocation of resources, and the measurement of results. CSA Business Plans have a five-year planning horizon to project long-term service priorities and needs as well as the CSA's planned response to address those needs. Each CSA Business Plan contains a one-year Action Plan specifying the actions to be accomplished and the performance targets to be achieved given the allocated resources.

Capital Budget

A financial plan of capital projects and the means of financing them for a given period of time.

Capital Improvement Program (Five-Year)

A plan, separate from the annual budget, which identifies all capital projects to be undertaken during a five-year period, along with cost estimates, method of

financing, and a recommended schedule for completion.

Carryover

Unspent funds, either encumbered, reserved, or unobligated, brought forward from prior fiscal years.

City Service Area (CSA)

City Service Areas integrate Core Services provided by individual departments into the City's key lines of business, as viewed from the community's perspective. CSAs enable the City to plan and show results of the collaboration among the departments at a higher organizational level. There are seven CSAs, six of which deliver direct services. The seventh, Strategic Support, represents functions that provide guidance and support contributing to the delivery of direct services.

CSA Partners

CSA Primary (or internal) **Partners** include those departments with Core Services most directly responsible for overall CSA service delivery. **CSA Contributing Partners** include departments with operational services that contribute indirectly to CSA service delivery. **CSA External Partners** include organizations outside the City that collaborate with or complement City efforts toward achieving CSA outcomes.

CSA Outcome

A desirable overall condition, or "Picture of Success". At the City Service Area level, the specified outcomes are the

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CSA Outcome (Cont'd.)

“ends” toward which the plans, efforts, resources and results of the CSA are directed.

Community Indicator

Data used to describe the broad context of physical, environmental, economic, social, or other conditions. Community Indicators relate information about the state of the policy and service delivery environment that assist in determining needs and progress toward achieving the City's selected Outcomes.

Contingency Reserve

An appropriation of funds to cover unforeseen events during the budget year, such as emergencies, newly required programs, shortfalls in revenue or other unforeseen eventualities.

Contractual Services

Operating expenditures for services provided by outside organizations and businesses, including maintenance contracts, management services, etc.

Core Services

The City departments' key lines of business. Core Services produce the primary deliverables of a department.

Debt Service

The amount required to pay interest on and to retire the principal of outstanding debt.

Encumbrance

Financial obligations such as purchase orders, contracts, or commitments which are chargeable to an appropriation and for which a portion of the appropriation is reserved.

Fiscal Year

A 12-month accounting period to which the annual budget applies; for San José, it is the period from July 1 through June 30.

Fund

An independent fiscal and accounting entity used to account for all financial transactions related to the specific purpose for which the fund was created by ordinance.

Fund Balance

The difference between total revenue sources and total expenditures in a fund. The fund balance is calculated at the end of the fiscal year.

General Fund

The primary operating fund used to account for all the revenues and expenditures of the City which are not related to special or capital funds.

Infrastructure Management System (IMS)

The City's computerized system used to identify the condition of streets, sewers and other infrastructure, forecast maintenance needs and project future replacement expenditures.

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Investing in Results

The City's service delivery framework that aligns City services with desired results for the community, using performance measures to track progress, make improvements and guide investment decisions

Mission

A unifying statement of why an organization exists.

Non-Personal/Equipment Expenses

Operating costs which are not related to personnel, such as supplies, training, contract services, utilities, and vehicles.

Ongoing Cost/Savings

The 12-month value of partial year additions or reductions.

Operating Budget

A financial plan for the provision of direct services and support functions.

Operational Services

Elements of Core Services, necessary to accomplish the Core Services of the organization. The "front line" of service delivery.

Performance Measure

Measures the results of services delivered to customers. Performance measures fall into the four Key Measurement Areas of Quality, Cost, Cycle Time, and Customer Satisfaction. Performance measures are

developed at the CSA, Core Service, and Operational Service levels.

Performance Measure Goals and Targets

Quantitative benchmarks for each Performance Measure (PM). **PM Goals** represent the optimum performance level, or the long-range (typically 5 years out), planned level of performance identified in the CSA Business Plan. **PM Targets**, for CSA's and departmental Core Services, represent the one-year performance level commitment, given allocated resources.

Personal Services

Salary and fringe benefit costs of City employees.

Rebudget

Unspent or unencumbered prior year funds reauthorized for the same purpose as previously approved, usually as a result of delayed program implementation.

Reserve

Funds budgeted for a particular purpose but not authorized for immediate obligation.

Special Purpose Funds

Funds, exclusive of the General Fund and capital funds, which are separately administered because they are associated with a distinct function or enterprise.

Strategic Goals/Objectives

Represent elements or sub-elements of a strategic plan. The City's planned

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Strategic Goals/Objectives (Cont'd.)

response to address service delivery needs and priorities. Strategic goals and objectives are guided by the related Outcomes and Community Indicators, but represent only the City's contribution toward those Outcomes and Indicators. Strategic goals and objectives also determine how the City's Core Services, Operational Services, and special projects should be aligned and directed toward producing the planned service delivery response.

Strategic Support

Includes various functions that support and/or guide delivery of Core Services. Examples include financial and human resources administration, purchasing and training as well as strategic leadership and policy development.

Transfers

Transfers between funds to account for reimbursements for services, overhead expenses, or other payments.

Values

Values guide behavior in carrying out the work of the organization.

Vision

A guiding statement describing a desirable future state toward which efforts should be directed. An effective vision statement inspires creativity while keeping an organization "on track" for the future by aligning its priorities.